

Supreme Court, U. S.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1975.

No. 75-863

CHICAGO RAWHIDE MANUFACTURING COMPANY,
Petitioner,

vs.

CRANE PACKING COMPANY,
Respondent.

**MOTION TO EXPEDITE CONSIDERATION OF
PETITION AND TO CONSOLIDATE
CASES ON APPEAL.**

**PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT.**

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*To the Honorable Chief Justice and Associate Justices of the
Supreme Court of the United States:*

Chicago Rawhide Manufacturing Company, the petitioner herein, respectfully moves the Court to expedite consideration of the petition for a writ of certiorari attached hereto, and upon granting the petition, to enter an order consolidating the case with:

Sakraida v. Ag Pro Inc., No. 75-110, presently pending in this Court.

In support of the motion, the petitioner states as follows:

1. The present case, like the *Sakraida* case, is a patent action.

2. Both cases involve substantially the same issue of law, namely the standard applicable to the determination of the

validity of a patent on the basis of non-obviousness and, more specifically, whether Section 103, Title 35 United States Code, sets a single statutory standard for non-obviousness applicable to all patents, or whether there is a determinable class of "combination" patents to which a special non-statutory rule of law applies.

3. Both cases involve a patent on a combination of elements, the combination of which was new, and both cases require a determination as to whether such a patent can be upheld as valid even though each of the elements in the combination is old and can be found in the prior art.

In contrast to the identity in the issues of law presented by the two cases, there is striking difference in the decisions and in the factual backgrounds of the two cases. Specifically, the determinations on validity are opposite, and although both patents are mechanical patents, the quality of the inventions involved in each is readily distinguishable. Accordingly, it is evident that this case presents a contrasting factual background that lends depth and perspective to the issues presented by the *Sakraida* case, and that the two cases, taken together, will bring into sharper focus the important issues of law that must be considered and decided by this Court.

In view of the foregoing and for the reasons set forth in the petition submitted herewith, it is respectfully urged that the petition be given expedited consideration and that upon granting of that petition, the Court enter an appropriate order of consolidation with the *Sakraida* case.

Respectfully submitted,

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**PETITION FOR A WRIT OF CERTIORARI TO THE
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Petitioner respectfully prays that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Seventh Circuit in this case.

OPINIONS BELOW.

The opinion of the Court of Appeals, which is reported at 523 F. 2d 452 (1975), is set forth in the Appendix at pages 1-15. The first opinion of the District Court, dated April 29, 1974, which has not been reported, is set forth in the Appendix at pages 17-63 and the second opinion of the District Court, dated June 21, 1974, which also has not been reported, is set forth in the Appendix at pages 64-71.¹

1. Hereinafter, references to the Appendix are designated as "App." with a page number; Chicago Rawhide is referred to as "Rawhide" or "petitioner", and Crane Packing is referred to as "Crane" or "respondent".

JURISDICTION.

The judgment of the Court of Appeals was entered on September 30, 1975 (App. 1) and a petition for rehearing was denied on November 4, 1975 (App. 16). The jurisdiction of the Court is based on 28 U. S. C. Section 1254(1).

QUESTIONS PRESENTED.

1. Whether the statutory standard for validity on non-obviousness as set forth in Section 103, Title 35 United States Code and as delineated in 1966 by this Court in *"The Trilogy"* of cases,² shall apply to all types of patents including "combination" patents?

2. Whether a new and useful combination of elements can be non-obvious and patentable, even though each of the elements in the combination is old?

3. Whether the Court of Appeals erred in adjudging a claimed combination as obvious over prior art where:

- (a) the prior art was no different from that considered by the Patent Office;
- (b) the differences between the patented subject matter and the prior art were "not insubstantial";
- (c) the Court acknowledged that the patented subject matter constituted an "advance in the art"; and,
- (d) there was uncontroverted evidence of commercial success and failure of others.

2. *Graham v. John Deere Co.*, 383 U. S. 1 (1966); *Calmar, Inc., et al. v. Cook Chemical Co.*, 383 U. S. 1 (1966); *United States v. Adams*, 383 U. S. 39 (1966).

STATUTES INVOLVED.

The statute involved is Title 35 United States Code, Section 103, which reads as follows:

"§ 103. *Conditions for Patentability; non-obvious subject matter.*

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title,

if the differences between the subject matter sought to be patented and the prior art are such that

the subject matter

as a whole

would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

Patentability shall not be negated by the manner in which the invention was made."

An ancillary statute involved is that portion of Section 282, Title 35 U. S. C., which states: "A patent shall be presumed valid."

STATEMENT OF THE CASE.

This is a patent case. Jurisdiction is bestowed on the United States District Courts pursuant to 28 U. S. C. 1338(a).

The petitioner, Rawhide, is an Illinois corporation having its principal place of business at Elgin, Illinois; the respondent, Crane, is an Illinois corporation having its principal place of business at Morton Grove, Illinois. Both are engaged in the business of manufacturing and selling rotary mechanical seals and have been for many years.

The petitioner is the owner of the United States Letters Patent No. 3,241,843 issued on March 22, 1966, relating to rotary mechanical seals and entitled "Combined Ring and

Frusto-Conical Member Seal Assembly"³ which the respondent was charged with infringing.⁴ The District Court⁵ found the patent to be invalid as obvious (App. 52) but also found the patent to be infringed by the respondent's mechanical seal, if valid (App. 63). The Court of Appeals affirmed (App. 15).

The purpose of this petition for a writ of certiorari is to seek review of the Court's mistake of law on obviousness, from which mistake a very highly regarded patent was found to be invalid.

The Background of the Invention.

Rotary mechanical seals are a type of oil seal which have many applications, one of which is in crawler tractors having track rollers that rotate about a stationary shaft. Because the relatively moving roller and shaft need lubrication, the rotary seal provides a leak proof barrier which keeps the oil in and the dirt out.

In 1961, when the patented Hatch seal was developed, rotary seals in common use were very complex and were made up generally of

- a sealing ring,
- a mating ring,
- a spring to apply an axial pressure so as to maintain the sealing ring in "end face" engagement with the mating surface,
- interlocking lugs to transmit a radial driving torque to the sealing ring, and
- a molded rubber secondary seal diaphragm to protect the spring and lugs from outside dirt (see App. 2).

In 1959, Caterpillar Tractor Company invented a simpler seal called the Duo Cone. The Duo Cone required neither a

3. The patent is reproduced in the Appendix at pages 72-80.

4. Hereinafter, the seal of the patent is referred to as the "Hatch seal" and the accused infringing seal as the "Crane seal".

5. The Honorable Richard W. McLaren, Judge, presided.

spring to apply pressure to the sealing ring in an axial direction, nor interlocking lugs to attach the ring to the shaft. Instead, Caterpillar shaped the back of the sealing ring more or less like a sloping horizontal "V" ramp to receive a doughnut shaped rubber ring (a "torus") in such a way that pressure against the rubber ring would cause the torus to roll up the ramp and simultaneously to apply an axial force to push the rings together and also a radial force affixing the sealing ring to the shaft and the mating ring to the housing.⁶ The separate parts which previously formed an axial spring, a radial interlock, and a secondary seal, were all replaced by the rubber torus and horizontal "V" ramp in the metal ring (App. 3). The Caterpillar Duo Cone seal was disclosed in a French Patent No. 1,255,283 published in January of 1961 and subsequently patented in the United States in a corresponding *Kupfert* United States Patent No. 3,073,189.

The Invention.

The Hatch seal, invented in 1961, was an improvement on the Duo Cone seal using the generic combination of a metal ring and a rubber ring, but a new combination in which the metal ring (instead of having a horizontal "V" ramp), contained a right angle seat and in which the rubber ring (instead of being a torus) was an upright "Belleville" washer which slanted and was shaped in cross-section like a parallelogram (App. 72, Fig. 3). Pressure against the rubber ring of the Hatch seal didn't make it roll as did the Duo Cone torus, but rather tended to make it "go to a vertical position" (App. 63). In other words, instead of the round rubber torus and specially cast, inclined "V" ramp of the Duo Cone, Hatch used a rubber Belleville washer and a simple right angle seat.

Hence, in terms of "combinations" and "elements", it is true that the Hatch seal was a new combination of a rubber

6. The Duo Cone seal is illustrated by the respondent's drawing, page 2 of trial exhibit PX 52, which is reproduced in the Appendix at page 81.

ring (Belleville washer) and a metal ring (with a right angle seat); it is also true that a combination of a rubber ring (torus) and a metal ring (with a horizontal "V" ramp) had been previously used in the Duo Cone; it is also true that the prior art showed individually the elements of Belleville washers and of metal rings with right angle seats. But nowhere did the prior art suggest making the new combination which comprised a Belleville washer and a right angle seat metal ring instead of the old combination of a torus and a horizontal "V" ramp metal ring. That new combination had to be invented and the issue was whether that unsuggested act of invention was obvious or non-obvious.

The improvements that the Hatch seal wrought were highly significant, for the Court below found that an especially attractive feature of the Hatch seal was its ease of installation (App. 11) and that the Hatch seal was more useful and more salable than the Duo Cone (App. 12). The Court below frankly acknowledged respect for the plaintiff's advance in the art (App. 13).

Also, it was an uncontroverted fact in this case that the Hatch seal has enjoyed a commercial success which has been untouched by the Duo Cone, even today (App. 6), and that the respondent's infringing Crane seal was the compulsive result of its miserable failure to design around the Hatch seal (App. 70). The high regard and respect the industry showed for the Hatch seal were certainly well earned.

The Decisions in Error.

However, the Court of Appeals affirmed that the patent was found to be invalid because "the basic elements of the Hatch device were disclosed by the prior art" (App. 5). The District Court mistakenly had decided that it could invalidate just because the acknowledged differences between the Duo Cone seal and the Hatch seal could be found somewhere in

a montage of the prior art. The Court of Appeals sought to repair that error in the opinion of the District Court.

A counterplay of contradictory statements resulted: (a) the Appeal Court painted with a broad brush stating that "[t]he concept . . . of a rubber ring and a metal sealing ring . . . was revealed by Duo Cone" (App. 5), but the District Court had already contra-explained that the differences between the Duo Cone seal and Hatch seal were "not insubstantial" (App. 48); and (b) the Appeal Court added a new finding of fact that "[c]ombinations of a metal ring . . . with a rubber washer shaped like the one used by Hatch had been used . . . before" (App. 5), but that was incorrect because the District Court had already stated that not one of those uses anticipated (App. 53-56) and although the basic elements were not new, they were united in the Hatch seal in a "different fashion" (App. 50).

Hence, rather than change, the Court of Appeals adopted the decision of the District Court and the two courts decided that the Hatch seal was a "new combination" but of "old elements" and was invalid under 35 U. S. C. 103 on the incorrect, simplistic formula that "*the claimed differences between the Duo Cone seal and the Hatch seal could be found in the prior art*" (App. 68) (Emphasis added).

With regard to the prior art, the art which the Court relied upon to invalidate was the very prior art, or less pertinent than the prior art (App. 48), over which the Patent Office granted the patent. Significantly, the "Payne patent", frequently referred to in the record, was not sufficiently significant to have been included in the art relied upon by the District Court for invalidating the patent.

The Courts' Lack of Evidence.

The presumption of validity which attaches to a patent was summarily swept aside by the Court's pronouncement that the District Court had found invalidity based upon a "clear and

convincing showing" (App. 10). What constituted that "clear and convincing" evidence was never in the record, and though questioned, was never revealed by the District Court, and was never pointed to by the Appeal Court; presumably it was the prior art. Because the prior art before the Patent Office and the Court was the same, the "clear and convincing showing" was apparently the same clear and convincing showing which had moved the Patent Office Examiner to grant the patent in the first instance and had permitted the presumption of validity to attach. If so, it follows that the "clear and convincing showing" referred to by the Court, was actually non-existent, let alone being sufficient to overcome the presumption.

REASONS FOR GRANTING THE WRIT.

The Court has already granted a Writ of Certiorari in *Sakraida v. Ag Pro*, No. 75-110, to consider the matter of non-obviousness in "combination" patents. Unfortunately, the *Sakraida* case falls into the class of barnyard implements and technical trivia that the Supreme Court has usually reviewed in connection with that issue.⁷ The rotary seal technology involved here is sufficiently imaginative and demanding as to give a balancing technical perspective to the Court's considerations in this case, in the same manner that *U. S. v. Adams*, *supra*, with its more sophisticated subject matter, contributed to the sound opinion in *Graham v. John Deere*, *supra*. For that reason, and because the issue involved is non-obviousness in a combination patent, the writ of certiorari should be granted.

An equally compelling reason for granting the writ of certiorari, still related to the *Sakraida* case, is the underlying inquiry and question of whether, on the issue of validity based on non-obviousness, there is a separate class of "combination patents"

7. a wooden frame—*Great Atlantic & Pacific Tea Co. v. Supermarket Equip. Corp.*, 340 U. S. 147 (1950);
a plow tine—*Graham v. John Deere*, 383 U. S. 1 (1966);
a blowtorch—*Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U. S. 57 (1969).

and specifically whether 35 U. S. C. 103 sets a single statutory standard for non-obviousness that applies equally to all patents. It is the "combination patent" aspect which is attacked with redundancy in the *Sakraida* case and which the Appeal Court emphasized in this case.

In fact, the appellation "combination patent" has no separate statutory status in the patent laws, and, specifically, none in regard to the issue of validity. If ever it had a separate status, that status disappeared with the 1952 Patent Act. The writ should be granted to permit an affirmation of the fact that, at law, the test for validity under U. S. C. Section 103 is the same for all patents.

Finally, the writ should be granted to review the decision in error of the Court of Appeals that, under the standard of 35 U. S. C. 103, a patent is invalid on the ground of obviousness if the differences between the patented subject matter and some of the prior art could be found in any other of the prior art. That is what the District Court said in explanation of its decision (App. 68) and that is what the Court of Appeals affirmed. That misstatement of the law needs to be corrected, for it is contrary to the standard of 35 U. S. C. 103, particularly as explained by this Court in *Graham v. John Deere*.

I. The Court of Appeals Decision Conflicts with 35 U. S. C. 103 Because It Wrongfully Employs a Non-Statutory Standard of Non-Obviousness for "Combination" Patents.

A. A "Combination" Patent Is No Different from Any Other Patent.

In affirming the District Court, the Court of Appeals emphasized that the decision concerned a "combination patent". The flaw in that designation is that almost all inventions are to combinations of elements, generally all old elements. And that is true, whether the combination considered is in the mechanical, electrical or chemical arts. If the combination considered is an old combination, then it is anticipated under 35

U. S. C. 102, but if the combination considered is a new combination, then the standard for testing its validity is non-obviousness under 35 U. S. C. 103. It is fair to say that Section 103 is directed primarily, although not exclusively, to patents involving combinations of elements.

Hence, in the converse, where validity is being tested, and where the test that has been applied is non-obviousness, the invention being tested is likely to be a new combination, and probably a combination of old elements. Where the subject is a new combination, then in ascertaining the "differences between the prior art and the claims at issue" as required by *Graham v. John Deere Co.* (*supra* at 17), it is likely that: (a) the prior art, taken individually, will not show the claimed device; and (b) the prior art, taken collectively, will show all of the elements (and probably more) of the claimed device. Those are truisms which the District Court determined for itself in this case. But the discovery of those truisms is not the end, as the Court mistakenly decided in this case, but rather the beginning for determining the presence or absence of non-obviousness.

B. Although Unusual Results May Indicate Invention, the Test Under 35 U. S. C. 103 Is Not That of Unusual Results.

The confusion with regard to the law on new combinations of old elements arose out of the *A&P* decision, *supra*. There, the Court spoke of the "difficulty and improbability of finding invention in an assembly of old elements" and said that the whole must in some way exceed the sum of the parts and produce an "unusual or surprising consequence" (*supra* at 152). It suggested a different standard for validity between combination patents and "other" patents.

Section 103 of the 1952 Patent Act sought to reunify the test for validity from one requiring segregation of combination patents and a finding of unusual results, to one requiring only a determination that the claimed subject matter would have been

non-obvious at the time the invention was made to a person having ordinary skill in the art. According to the decisions and opinions in *The Trilogy*,⁸ Section 103 had effected that purpose. However, it is questioned whether that affirmation was carried through in the *Anderson's-Black Rock* case, *supra*, f. n. 7.

In *Black Rock*, the Court did refer to the "obvious-non-obviousness standard", but it also pointed out that a combination may result in an effect greater than the sum of the several separate effects and noted that no such "synergistic result" had been argued. The Court found that "the use of old elements in combination was not an invention" (*supra* at 62). Obviously, the opinion is open to interpretation as to whether it was a decision genuinely under Section 103 or a redressed version of the pre-1952 *A&P* standard where combination patents were segregated and then tested for unusual (synergistic) results.

None of this is to say that the decisions of invalidity in *A&P* and *Black Rock* were not correct. The patents were invalid; but they were invalid because the subject matter of each of the patents was manifestly obvious. Although factually true, it should have been only incidental to these decisions that the combinations claimed in these patents failed to produce unusual results.

In testing the validity of the patent in the *Sakraida* case, as well as the present case, great caution must be exercised against segregating a patent as a combination and against applying non-statutory test of looking for unusual results. Unusual results are nice and may be "indicia of obviousness or non-obviousness"; but the statute says, and the test is, "non-obviousness".

8. See footnote 2.

9. *Graham v. Deere*, *supra* at 18.

II. The Courts Below Erred by Misinterpreting 35 U. S. C. 103 to Require Only That the Differences Be Found in the Prior Art.

A. The District Court Made a Basic Error of Law.

The District Court's first opinion was incongruous because the Court found that the patented subject matter was not shown in any of the prior art and that, as a matter of fact, the differences between the claimed Hatch seal and the closest prior art teaching (the Duo Cone seal) were "not insubstantial" (App. 48). That determination was in conformity with the standard of 35 U. S. C. 103, as applied in *Graham v. Deere*. It was a leg-up in an affirmation of the Patent Office determination of non-obviousness.

The Court also made the determination that the basic elements in the Hatch seal were not new and individually were revealed in the prior art. But along with that, the Court did recognize that in Hatch those old elements were combined "in a slightly different fashion". Normally, the sum of those comments would be another leg-up in the affirmation of the Patent Office determination of non-obviousness.

But instead, the District Court then rushed its way through a determination of the level of ordinary skill, brushed aside the secondary considerations of commercial success and failure of others, and embraced the decision that the patent was "invalid by reason of its obviousness" (App. 52).

Because of the startling nature of that decision, and because it did not appear to be a rational conclusion, the District Court was asked to reconsider. The Court did reconsider. In reconsidering, the Court did not change its decision, nor did it make its conclusion rational. Rather, the Court displayed and gave explanation to its error. The Court stated:

"Because the claimed differences between the Duo Cone seal and Hatch seal could be found in the prior art, the Court found the patent invalid on the ground of obviousness." (App. 68) (Emphasis added.)

The District Court could not have been more candid, nor more wrong. That statement also explained why the Court had rushed through the step of determining the level of ordinary skill and brushed aside secondary considerations. Obviously, according to the Court's misunderstanding, if all of the differences could be found in the prior art, a conclusion of invalidity was forgone and it made little difference as to what the level of ordinary skill or the secondary considerations might be.

B. The Court of Appeals Repeated This Error.

Upon appeal, the Court of Appeals detected the flaw in this logic, and sought to repair the deficiency by adding a new finding of fact, stating:

"Combinations of a metal ring containing an angled rear seat with a rubber washer shaped like the one used by Hatch had been used on more than one occasion before." (App. 5.)¹⁰

and affirmed the District Court's conclusion of invalidity based on obviousness.

It is the Court of Appeals' affirmation of the District Court's error in law that is sought to be reviewed here. Specifically, it is incorrect under the law for the Court of Appeals to have affirmed that a patent is invalid on the ground of obviousness because all of the differences between the subject matter claimed and the prior art could be found in the prior art.

CONCLUSION.

The petitioner's highly respected patent has been mistakenly found to be invalid for obviousness on an error in applying the law. That error arose out of incorrectly segregating the patent into a class of "combination patents" (which has no statutory meaning from the standpoint of validity) and then invalidating

10. This finding is incorrect and contrary to the decision of the District Court. See page 7 of this brief.

the patent because the elements of the combination could be found in the prior art. Section 103 of 35 U. S. C. and this Court in *Graham v. John Deere, supra*, say that the test is different.

There is now before the Court on a writ of certiorari the case of *Sakraida v. Ag Pro* which raises the same issue of validity based on non-obviousness of a patent which has been segregated as a "combination patent". Review of this case will not only present the opportunity for correcting the errors of Court below, but will lend proper perspective to the important issues of law presented by both cases.

For the foregoing reasons, this Court should issue a writ of certiorari to review the opinion and judgment of the United States Court of Appeals for the Seventh Circuit.

Respectfully submitted,

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